



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

**News Release**

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**SEASONALLY ADJUSTED UNEMPLOYMENT RATE DROPS TO 3.0  
PERCENT IN DECEMBER**

**28,800 New Jobs Added in Past Two Years**

**HONOLULU-** The Hawaii State Department of Labor and Industrial Relations announced today that the December statewide seasonally adjusted unemployment rate was 3.0 percent, a decline of 0.3 percentage point from November. In comparison, the seasonally adjusted national unemployment rate remained stable over-the-month at 5.4 percent. In December 2003, the statewide unemployment rate was 4.4 percent, while the U.S. unemployment rate was 5.7 percent. The average statewide unemployment rate for the year 2004 was 3.4 percent. In December 2004, Hawaii's seasonally adjusted labor force totaled 633,300, of which 614,000 were employed and 19,300 unemployed.

In a separate measure of employment, there were a total of 592,600 seasonally adjusted non-agricultural jobs statewide in December, a slight decline of 800 jobs, or 0.1 percent from November. Within the seasonally adjusted industry series, job gains were experienced in Education & Health Services (+500) and Leisure & Hospitality (+200), while job losses occurred

in Government (-2,300) and Trade, Transportation, & Utilities (-100). The decreases in government jobs were primarily due to the termination of employment of "temporary workers" hired by the state to assist with the general election.

For the year 2004, the annual average statewide jobcount was 581,700, expanding by 14,400, or 2.5 percent more than the 2003 annual average jobcount. Within this total, the private sector grew by 13,100 jobs, or 2.9 percent. Since December 2002, Hawaii's economy has created 28,800 new jobs.

"Significant job expansion along with low unemployment throughout 2004 was a direct reflection of Hawaii's strong economic condition during the year," said Nelson Befitel, Director of Labor & Industrial Relations.

Next month, the DLIR will implement changes in the labor force estimation methodology instituted by the U.S. Bureau of Labor Statistics. Labor force estimates will be calculated using the new methodology beginning with the January 2005 estimates. Due to implementation of the new methodology and annual revision of historical data, January 2005 data will be released around March 10. Revised historical data through 2004 will be re-estimated using the new methodology from 1976 for statewide estimates and from 1990 for county estimates.

The new methodology is expected to improve Hawaii estimates with better seasonal adjustment and monthly benchmarking to the national Current Population Survey (CPS) estimates. Real-time benchmarking will ensure that estimates of employment and unemployment for the states add to national totals. Reliability measures will also be available to determine if a change in the unemployment rate is statistically significant. This also means that major economic events, such as the onset of recessions and effects of tragedies such as that of the September 11, 2001 tragedy, will be reflected in the state estimates on a timely basis, reducing end-of-year revisions.

More information on the new methodology is available from the Hawaii Workforce Informer (HIWI) website at

<http://www.hiwi.org/article.asp?ARTICLEID=1351&PAGEID=&SUBID=>. Also, the DLIR will

further discuss the new unemployment estimation methodology by conducting a public information session on Oahu on March 29, 2005 and a video conference for the neighbor islands on March 30, 2005. Details of the informational sessions will be posted at [www.hiwi.org](http://www.hiwi.org).

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